

**TOPIC: TWO-YEAR CASH FUNDED CAPITAL PROGRAM LIST
AMENDMENT – COLORADO MESA UNIVERSITY**

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I. SUMMARY

This submission is to amend the Two-Year Cash Funded Capital Program list for Colorado Mesa University (CMU) presented to the Colorado Commission on Higher Education (CCHE) in December, 2014. The list is amended to reflect the addition of the Restoration of Pinon Hall – The Maverick Innovation Center. This is a new cash funded, non-Intercept project request for \$5,024,246. CMU's amended Two-Year list is included as Attachment A.

II. BACKGROUND

Under state law, C.R.S. 23-1-106 (7) the Colorado Commission on Higher Education and the legislative Capital Development Committee must consider and approve Two-Year cash funded capital program lists, any amendments to the list, and program plans for any project using the Intercept program. Governing boards have the authority to submit new Two-Year lists and amendments to the CCHE or Capital Development Committee (CDC) at any point during the fiscal year. However, projects on the Two-Year list may not commence until both the CCHE and the CDC consider and review the list. If a project is amended or the cost for an approved project changes by more than 15% of the original total, the CCHE must reapprove the submission. Every December, a comprehensive Two-Year Cash Funded Capital Program list comprised of all Governing Board projects is submitted to CCHE for approval. The list is then forwarded to the CDC for approval in January.

The CCHE's authority to review this project is defined and described in state law. Pursuant to CRS 23-1-106 (9) (a) the project submitted meets the definition of a "cash funded, non-intercept" project. In other words, it is 100% funded through institutional sources and not state funds. Furthermore, the project does not utilize the state's credit rating for capital financing. For cash funded, non-intercept projects, the CCHE's authority is limited to receiving cost information from the public institution about the project, and forwarding the Two-Year Capital Projection list to the Capital Development Committee. The Commission has limited authority to review cash funded projects and no official approval authority for individual non-Intercept projects. But rather state laws grants authority and responsibility for the review and approval of such projects to the public institution's governing board.

III. STAFF ANALYSIS

This is a cash funded, non-Intercept project totaling \$5,024,246. Table 1 displays the total cost for the Restoration of Pinon Hall – The Maverick Innovation Center. The project will be funded from auxiliary cash reserves.

**Table 1:
Two-Year Cash Funded Capital Program
FY 2015-16 List**

CF	\$5,024,246
FF	\$0
TF	\$5,024,246

The project is a renovation and repurposing of the already existing Pinon Hall. This is an auxiliary building, which makes it ineligible for state-funded controlled maintenance. The total square footage is 42,507.

The project is described briefly below:

“Restoration of Pinon Hall – The Maverick Innovation Center” – The project reimagines the use of the existing Pinon Hall space, converting it into a living and learning business incubator for interested students. The new Maverick Innovation Center provides a residential space for interested students combining academic content, entrepreneurship mentoring, open office space, enhanced technology, and connections to the business community. CMU has paired with community and industry leaders to oversee the development and implementation of the Maverick Innovation Center project.

IV. STAFF RECOMMENDATIONS

Staff recommends that the Commission approve the amended Two-Year Cash Funded Capital Program List Amendment for Colorado Mesa University and forward the list to the Office of State Planning and Budgeting and the Capital Development Committee.

STATUTORY AUTHORITY

C.R.S. 23-1-106 (7)

(c) (I) The commission annually shall prepare a unified, two-year capital improvements report for projects to be constructed or acquired pursuant to subsection (9) or (10) of this section and estimated to require total project expenditures exceeding two million dollars, coordinated with education plans. The commission shall transmit the report to the office of state planning and budgeting, the governor, and the general assembly, consistent with the executive budget timetable.

(II) (A) Commencing in the 2010 regular legislative session, and in each regular legislative session thereafter, the commission shall submit the two-year projections prepared by each state institution of higher education for the 2010-11 and 2011-12 fiscal years, and for each two-year period thereafter as applicable, to the office of state planning and budgeting and the capital development committee. Beginning in the 2010 regular legislative session and in each regular legislative session thereafter, the capital development committee shall conduct a hearing on the projections and either approve the projections or return the projections to the institution for modification. The commission and the office of state planning and budgeting shall provide the capital development committee with comments concerning each projection.

(B) A state institution of higher education may submit to the staff of the capital development committee, the commission, and the office of state planning and budgeting an amendment to its approved two-year projection. The capital development committee shall conduct a hearing on the amendment within thirty days after submission during a regular legislative session of the general assembly or within forty-five days after submission during any period that the general assembly is not in regular legislative session. The capital development committee shall either approve the projections or return the projections to the institution for modification. The commission and the office of state planning and budgeting shall provide the capital development committee with comments concerning each amendment.

ATTACHMENT A: Two-Year Cash Funded Capital Program List – Colorado Mesa University.